

Message Text

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PAGE 01 CAIRO 16628 080147Z
ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 SP-02 ICA-11 AID-05 EB-08
NSC-05 SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 /092 W
-----058118 082332Z /21
R 071903Z JUL 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 1228

LIMITED OFFICIAL USS CAIRO 16628

E.O. 11652: N/A
TAGS: EFIN, EG
SUBJ: GOE CENTRAL BANK RAISES INTEREST RATES

REF: STATE 167786

1. EEBOFF CONFIRMED IN DISCUSSION WITH CENTRAL BANK OFFICIALS JULY 6 THAT CENTRAL BANK HAS RAISED INTEREST RATES APPLICABLE TO COMMERCIAL BANK LOANS FROM RANGE OF 8 - 8.5 PER CENT TO 9 - 11 PER CENT. PUBLIC SECTOR COMPANIES WILL BE ELIGIBLE FOR THE LOWEST INTEREST RATE AVAILABLE (9 PER CENT). PRIVATE SECTOR COMPANIES WILL BE CHARGED COMMENSURATE WITH ESTIMATED RISK, AVERAGING FROM 9.5 - 10.5 PER CENT. PRIVATE INDIVIDUALS ARE EXPECTED TO BE ASSESSED 11 PER CENT RATE. AT SAME TIME, BANK OFFICIALS RAISED INTEREST RATE PAYABLE ON TIME DEPOSITS FROM 6 TO 7 PER CENT. CHANGE EFFECTS NATIONALIZED BANKS AND JOINT VENTURE OPERATIONS BUT EXCLUDES FOREIGN CURRENCY BRANCHES WHOSE INTEREST RATES VARY AS FUNCTION OF LIBOR.

2. COMMENT: ALTHOUGH ACTION NOT TIED SPECIFICALLY TO IMF EXTENDED FUND AGREEMENT UNDER FINAL CONSIDERATION IN LIMITED OFFICIAL USE

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WASHINGTON, STEP CLEARLY IN LINE WITH GOVERNMENT INTENTIONS AS NOTED REFTEL AND MOVE MAY WELL BE FIRST STEP IN ENCOURAGING DOMESTIC SAVINGS AND CONTROLLING DOMESTIC CREDIT EXPANSION. EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL BANK, BANK RATES, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CAIRO16628
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780281-0356
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780787/aaaacvip.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1f68e779-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 167786
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Exemptions: n/a
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2091729
Secure: OPEN
Status: NATIVE
Subject: GOE CENTRAL BANK RAISES INTEREST RATES
TAGS: EFIN, EG
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/1f68e779-c288-dd11-92da-001cc4696bcc
Review Markings:
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